

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE MORRO BAY
FIREFIGHTERS ASSOCIATION
AND
THE CITY OF MORRO BAY

JULY 1, 2014 – JUNE 30, 2016

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**MEMORANDUM OF UNDERSTANDING
BETWEEN THE MORRO BAY FIRE FIGHTERS
AND THE CITY OF MORRO BAY
2014 - 2016**

ARTICLE I PURPOSE

WHEREAS, the City of Morro Bay is a municipal corporation, existing under the laws of the State of California as a general law city; and

WHEREAS, the City of Morro Bay is limited, insofar as funds are concerned, because of a fixed tax rate, and in structure because it is a public entity, rather than a profit-making business; and

WHEREAS, the Morro Bay Fire Fighters and the City of Morro Bay recognize that the mission and the purpose of the City are to provide high-quality and economical municipal services and facilities to the residents of the City of Morro Bay.

THEREFORE, this Memorandum of Understanding (MOU) is entered into as of July 1, 2014, between the City of Morro Bay, referred to as "CITY," and the Morro Bay Fire Fighters, referred to as "MBFF."

It is the intent and purpose of this MOU to assure sound and mutually-beneficial working and economic relations and conditions between the parties hereto, to provide for an orderly and peaceable method and manner of resolving any differences, which may arise, and to negotiate any misunderstanding, which could arise, and to set forth, herein, the basic and full agreement between the parties, concerning the pay, wages, hours of employment, and other terms and conditions of employment.

ARTICLE 2 MANAGEMENT

- 2.1 In order to ensure that the CITY shall continue to carry out its public safety functions, programs, and responsibilities to the public, imposed by law, and to maintain efficient public safety service for the citizens of Morro Bay, the CITY continues to reserve and retain solely and exclusively all management rights, regardless of the frequency of use, including those rights and responsibilities set forth by law, and those CITY rights set forth in the CITY's Personnel Rules and Regulations and including, but not limited to, the following:
 - 2.1.1 To manage the Fire Department, and determine policies and procedures and the right to manage the affairs of the Department.
 - 2.1.2 To determine the existence, or nonexistence, of facts which are the basis of the management decision, in compliance with State law.

- 2.1.3 To determine the necessity, organization, implementation, and termination of any service or activity conducted by the CITY or other government jurisdiction, and to expand or diminish fire services.
- 2.1.4 To direct, supervise, recruit, select, hire, evaluate, promote, transfer, discipline, discharge, terminate, demote, reduce, suspend, reprimand, withhold salary increases and benefits for disciplinary reasons, or otherwise discipline employees, in accordance with Department or CITY Rules, Regulations, or Ordinances.
- 2.1.5 To determine the nature, manner, means, extent, type, time, quantity, quality, technology, standard, and level of fire services to be provided to the public.
- 2.1.6 To require performance of other public safety services not specifically stated herein, in the event of emergency or disaster, as deemed necessary by the CITY.
- 2.1.7 To lay off employees of the Fire Department because of lack of work or funds or under conditions where continued work would be inefficient or nonproductive or not cost effective, as determined by the CITY.
- 2.1.8 To determine and/or change the fire facilities, methods, technology, equipment, operations to be performed, organization structure, and allocate or assign work by which the CITY fire operations and services are to be conducted.
- 2.1.9 To determine method of financing.
- 2.1.10 To plan, determine, and manage Department's budget, which includes, but is not limited to, changes in the number of locations and types of operations, processes, and materials to be used in carrying out all Fire Department functions and the right to contract or subcontract any work or operations of the Fire Department.
- 2.1.11 To determine the size and composition of the Fire Department work force, assign work to employees of the Fire Department, in accordance with requirements determined by the Fire Department, and to establish and require compliance to work hours and changes to work hours, work schedules, including call back, standby, and overtime, and other work assignments, except as otherwise limited by this MOU, or subsequent MOUs.
- 2.1.12 To establish and modify goals and objectives related to productivity and performance programs and standards, including, but not limited to, quality and quantity, and required compliance therewith.
- 2.1.13 To determine qualifications, skills, abilities, knowledge, selection procedures and standards, job classification, job specifications, and to reallocate and reclassify employees, in accordance with division and/or CITY Rules and Regulations.

- 2.1.14 To determine the issues of public policy, and the overall goals and objectives of the Fire Department, and to take necessary action to achieve the goals and objectives of the Fire Department.
 - 2.1.15 To hire, transfer (intra- or inter- Department), promote, reduce in rank, demote, reallocate, terminate and take other personnel action for non-disciplinary reasons, in accordance with Department and/or CITY Rules, Regulations and Ordinances.
 - 2.1.16 To determine policies, procedures and standards for recruiting, selecting, training, and promoting employees.
 - 2.1.17 To establish, implement, and/or modify rules and regulations, policies, and procedures, related to productivity, performance, efficiency, personal appearance standards, code of ethics and conduct, safety, health, and order, and to require compliance therewith.
 - 2.1.18 To maintain order and efficiency in Fire facilities and operation.
 - 2.1.19 To restrict the activity of an employee organization on CITY facilities, except as set forth in this MOU.
 - 2.1.20 To take any, and all, necessary steps and actions to carry out the service requirements and mission of the CITY in emergencies or any other time deemed necessary by the CITY, and not specified above.
- 2.2 Nothing herein is meant to diminish CITY rights provided by the Government Code.
 - 2.3 Nothing herein is meant to diminish employee rights as provided by the Government Code, including the right to meet and confer on changes in standards for promotion.

ARTICLE 3 MBFF RECOGNITION

- 3.1 Pursuant to Resolution No. 74-69, the Employer-Employee Relations Resolution of the CITY of Morro Bay and applicable state law, the MBFF was designated by the CITY as the representative of CITY fire fighting employees. The term "employee" or "employees" as used herein is comprised of the following classifications:

- Captain/Paramedic
- Captain
- Engineer/Paramedic
- Engineer
- Firefighter/Paramedic
- Firefighter

- 3.2 Employees working on a regular basis in a classified position, but less than full-time, shall receive vacation and sick leave accruals on a pro-rated basis, commensurate with hours worked. All benefits for new hires, including insurance benefits, will be allocated on a pro-rated basis, commensurate with hours worked.

3.3 FIRE ENGINEER RATING

3.3.1 It is recognized, in principle, as long as the full-time MBFF personnel complement of the Morro Bay Fire Department remains at ten (10) or less, that efficient operation of the Department requires an increase in the authorized number of Fire Engineers. Accordingly, CITY agrees to promote to Fire Engineer all personnel classified as Fire Fighter hired after the effective date of this MOU provided that they have served for eighteen (18) months with the CITY in the Fire Fighter classification; that at the completion of eighteen months of employment, they have been recommended by the Fire Chief for promotion and have demonstrated, through successful completion of written and practical examinations that they have successfully completed six semester units of Fire Science courses at an institution approved by the Fire Chief. The CITY shall make every effort to schedule the examination to be completed prior to the expiration of eighteen months. The content and passing grade of the written and practical examinations will be determined by the Fire Chief subject to the approval of the City Manager.

3.3.2 An individual recommended for promotion, and failing to attain a passing grade in either the written or practical examination, shall not be eligible for reexamination until six (6) months after the date of failure.

ARTICLE 4 MBFF BUSINESS

4.1 Employee representatives, designated by the MBFF, shall be granted time off, without loss of pay, to attend "meet and confer" sessions with the City Manager, and/or his/her designee(s), on subjects within the scope of representation, when such meetings are scheduled during regular working hours. Should such meeting extend beyond an employee representative's regular working hours, the employee representative shall be paid for only the regular working hours.

4.2 It is understood that this time-off provision shall only apply to a maximum of two employees attending any one meeting between CITY and MBFF; where exceptional circumstances warrant, the City Manager may approve the attendance, at such meetings, of additional employee representatives. The MBFF shall, whenever practicable, submit the names of all employee representatives to the City Manager, or his/her designee(s), at least two working days in advance of such meetings. Provided further: 1) no employee representative shall leave his or her duty or work station or assignment without specific approval of the department head or other authorized CITY management official; and 2) any such meeting is subject to scheduling by CITY management, in a manner consistent with operational needs and work schedules.

- 4.3 Off-duty employees will not be paid for attending meet and confer sessions, nor will over-time be paid for same. The parties agree to consider the shift schedules of team members in scheduling meetings.
- 4.4 MBFF may hold unit meetings at the Fire Station, 715 Harbor Street, after 1700 hours, with two days' prior notice to Fire Chief. The Fire Chief has the authority to deny and/or cancel said meeting, if it conflicts with official CITY activities for MBFF duties.

ARTICLE 5 AUTHORIZED AGENTS

For the express purpose of administering the terms and provisions of this MOU:

- 5.1 Management's principal authorized agent shall be the City Manager, or his/her duly authorized representative(s), (address: 595 Harbor Street, Morro Bay, CA 93442; telephone (805) 772-6201), except where a particular management representative is specifically designated in the MOU.
- 5.2 The MBFF principal authorized representative shall be the shop steward of the unit, or his/her duly authorized representative(s) (address 715 Harbor St., Morro Bay, CA 93442).

ARTICLE 6 WITHHOLDING OF MBFF DUES AND INSURANCE

- 6.1 It is agreed that CITY will withhold MBFF dues and MBFF group insurance premiums from the monthly pay of each regular CITY employee, who is a member of the MBFF. MBFF agrees to provide CITY with individual MBFF member authorizations signed by the individual MBFF member, authorizing CITY to make agreed deductions, specifying the amount of each deduction, and authorizing CITY to issue a check, payable to MBFF, for the collective amount of the individual deductions. CITY does not accept responsibility for computing the amounts of deductions or for meeting payment dates, which may not coincide with established pay periods. CITY will issue a single check to the MBFF for the total amount of deductions withheld from the individual employees' pay. The MBFF will be responsible for the accounting and disbursing of all such funds received from CITY. MBFF will be responsible for properly notifying CITY of any changes in deductions, and will be the sole agent, through which CITY will act, in explaining, initiating, executing, or terminating the provisions of this Article. Such notification must be received by the CITY at least two weeks prior to the effective date of the change. Also, such change notice must include a copy of the notice sent to the employees officially, telling them of the change.
- 6.2 MBFF shall indemnify and hold harmless the CITY, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, or liability arising out of this Article.
- 6.3 It is agreed that CITY will deposit payroll deductions made payable to a CITY-approved Credit Union, providing the MBFF makes arrangements for such services that are acceptable to both members and CITY.

ARTICLE 7 TERM

Except as otherwise specifically provided herein, the term of this MOU commences on July 1, 2014, and expires and is otherwise fully terminated June 30, 2016.

ARTICLE 8 RENEGOTIATIONS

- 8.1 In the event either party wants to renegotiate a successor MOU, such party shall serve upon the other, during the period of February 15, 2016 to March 15, 2016, its written request to begin negotiations, as well as its full and entire written proposals amending this MOU.
- 8.2 The parties agree that, except by mutual agreement, no new subjects may be introduced into the process after the third (3rd) negotiations meeting.
- 8.3 Should the parties be unable to reach agreement on a new contract before the current contract expires, all applicable provisions of this MOU shall remain in full force and effect until such time as a new MOU is reached, or September 30, 2016, whichever first occurs.

ARTICLE 9 ANTI-DISCRIMINATION

The CITY and MBFF mutually agree they will not discriminate against employees for the exercise of their rights under the State of California Government Code Section 3502.

ARTICLE 10 WORK SCHEDULE

This article is intended to define the normal hours of work, and shall not be construed as a guarantee of work per day or work per week or of days of work per week.

- 10.1 **WORKDAY**
The normal workday shall be a twenty-four (24) consecutive hour period, except in cases of emergency or for reasons of attendance at extended training opportunities, or temporary duty assignments while on light duty, when other shifts may be assigned by the Chief, provided there is mutual agreement between the parties.
- 10.2 **WORKSHIFT**
Employees shall be scheduled to work on regular work shifts having regular starting and quitting times. Except for emergencies, employees' work shifts shall not be changed without four days (96 hours) prior written notice to the employee. Call out or overtime does not constitute a change in work shift.
- 10.3 **WORKWEEK**
The normal workweek shall average fifty-six (56) hours of work in a seven (7) consecutive day period, except in cases of emergency.

10.4 OVERTIME

- 10.4.1 Overtime is defined as all hours worked in excess of 106 hours worked in a 14 day work period. For those assigned to an 8-hour day, overtime shall be defined as all hours worked in excess of forty hours per week. Vacation time and compensatory time off shall be treated as hours worked.
- 10.4.2 All overtime, as defined above, shall be paid at one and one-half (1.5) times the employee's regular rate of pay. Compensatory time off earned, pursuant to 10.4.4 below, will accrue at one and one-half (1.5) times hours worked.
- 10.4.3 Employees, required to return to work on a scheduled vacation day, shall be paid at the rate of 1.5 times their regular rate of pay for the hours actually worked.
- 10.4.4 Employees may elect compensatory time off (CTO) in lieu of paid overtime, subject to the following provisions.
 - 10.4.4.1 CTO may be elected for overtime incurred due to training time only.
 - 10.4.4.2 Maximum CTO accrual will be 140 hours. All overtime earned after CTO is accrued to the 140 hour maximum will be paid in cash.
 - 10.4.4.3 Accrued CTO may be cashed out upon the request of the employee and the approval of the department. CTO accrued at time of separation will be paid off.
 - 10.4.4.4 CTO may be taken off upon employee request and department approval. CTO will not be approved if it will require overtime.
 - 10.4.4.5 Other overtime provisions notwithstanding, employees forced to hold over for 12 hours or more will receive time and one-half compensation for the hours worked on that day.

10.5 EMERGENCIES

- 10.5.1 Nothing herein shall be construed to limit or restrict the authority of management to make temporary assignments to different or additional locations, shifts, or duties for the purpose of meeting an emergency.
- 10.5.2 Such emergency assignments shall not extend beyond the period of said emergency.
- 10.5.3 Short-staffing, caused solely by absences due to employees taking approved paid leave, shall not be considered an emergency.

ARTICLE 11 VACATIONS AND HOLIDAYS

- 11.1 CITY and MBFF agree that difficulties exist in equating the work schedules of fire fighters to the work schedule of non-shift personnel, i.e., shift periods compared to hours and days worked by other CITY employees. Therefore, a formula is agreed to for computing the vacations and holiday periods for fire fighters. Such formula is agreed to be a ratio as follows: Fire Fighter's total available shifts per year is to the general employees' total available work days per year (260) as X is to the number of authorized vacation and holidays days of the general employees, when X equals the amount of shifts off for Fire Fighters comparing Fire Fighters to employees of equal tenure.
- 11.2 Pursuant to Section 11.1, the following lists the vacation and holiday annual accrual schedule for members of the MBFF assigned to shift work:

| <u>SERVICE YEARS</u> | <u>VACATION ACCRUAL</u> | <u>HOLIDAY ACCRUAL</u> | <u>TOTAL ANNUAL ENTITLEMENT</u> | <u>SHIFTS/ YEAR</u> |
|--------------------------|-----------------------------|----------------------------|-------------------------------------|-------------------------|
| 0 thru 2 | 112.0 hrs. | 146.96 hrs. | 258.96 hrs. | 10.792 |
| 3 thru 4 | 123.2 hrs. | 146.96 hrs. | 270.16 hrs. | 11.257 |
| 5 thru 6 | 134.4 hrs. | 146.96 hrs. | 281.36 hrs. | 11.723 |
| 7 thru 8 | 145.6 hrs. | 146.96 hrs. | 292.52 hrs. | 12.19 |
| 9 thru 10 | 156.8 hrs. | 146.96 hrs. | 303.76 hrs. | 12.657 |
| 11 thru 12 | 168.0 hrs. | 146.96 hrs. | 314.96 hrs. | 13.123 |
| 13 thru 14 | 179.2 hrs. | 146.96 hrs. | 326.16 hrs. | 13.59 |
| 15 thru 16 | 190.4 hrs. | 146.96 hrs. | 337.36 hrs. | 14.057 |
| 17 thru 18 | 201.6 hrs. | 146.96 hrs. | 348.56 hrs. | 14.523 |
| 19 thru 20 | 212.8 hrs. | 146.96 hrs. | 359.76 hrs. | 14.99 |
| 21 + | 224.0 hrs. | 146.96 hrs. | 370.96 hrs. | 15.547 |

11.3 MAXIMUM ACCUMULATION

It is recognized long-standing accumulations of vacation/holiday time exist for some employees. In order to compensate employees for this unused time, CITY and MBFF agree on the following policy:

11.3.1 Unused vacation/holiday leave may be carried over into the following year to a maximum of two times an employee's annual accumulation of vacation time plus one year of holiday time. Employees exceeding the maximum, as of the pay period containing November 1 of each year, will be paid off for time exceeding the maximum. The CITY shall make said payment with the pay period containing December 1 of each year. Payment shall be computed, based upon the employee's base hourly rate of pay as of June 30 of the same calendar year.

11.3.2 Employees separating from the CITY are entitled to pay for the accumulated vacation based upon employee's base hourly rate of pay at separation.

11.3.3 A member of the MBFF may exercise an option to convert into cash a maximum of one hundred twelve (112) hours of accrued vacation leave each fiscal year. Such conversion shall be computed at the employee's current base hourly rate, on an hour-per-hour basis.

11.4 The following holidays are used in Section 11.2 above, to determine total annual entitlement. Employees may be scheduled to work on holidays. All employees, except those assigned to 8-hour shifts, shall be compensated for holidays as provided in 11.2 above.

| | |
|-----------------------------------|--------------------------------------|
| New Year's Day..... | January 1 |
| Martin Luther King, Jr., Day..... | 3 rd Monday in January |
| Lincoln's Birthday..... | February 12 |
| President's Day..... | 3 rd Monday in February |
| Memorial Day..... | Last Monday in May |
| Independence Day..... | July 4 |
| Labor Day..... | 1 st Monday in September |
| Veteran's Day..... | November 11 |
| Thanksgiving Day..... | 4 th Thursday in November |
| Day after Thanksgiving Day..... | 4 th Friday in November |
| Christmas Day..... | December 25 |
| Floating Holiday..... | Varies |
| Floating Holiday..... | Varies |

11.5 For any additional holiday proclaimed by the Mayor, shift employees shall be paid (not banked) for 11.2 hours of work, and employees assigned to eight hour duty shall receive the holiday off. Employees may be scheduled to work on such holidays.

ARTICLE 12 SICK LEAVE

12.1 It is agreed that the firefighters will earn sick leave per month at the same ratio that their assigned shift schedule compares to other full-time employees (1.4:1) for 24-hour shift workers or (1.0:1) for eight-hour shift employees. There shall be no maximum number of sick leave hours that a member of MBFF may accrue.

12.2 All use of sick leave shall be charged on an hour-for-hour basis.

12.3 At termination, accumulated in the sick leave accrual is not compensable; however, upon retirement, sick leave accrual may be converted to additional time, as provided by California Public Employees Retirement System (CalPERS) unused sick leave credit.

12.4 Any use of sick leave, covering a period beyond seven calendar days, may require approval by a qualified medical authority for release to resume regular duties.

12.5 Recognizing Section 12.1 above requires a transition from the method of accruing and charging sick leave contained in earlier Memoranda of Understanding, the following conversion of previously accrued sick leave shall be made:

12.5.1 For shift workers, all Sick Leave hours accrued, but unused, as of December 31, 2002, shall be multiplied by a factor of three (3) and shall become the employee's Sick Leave Accrual account, until utilized on an hour for hour basis.

12.5.2 Credits added to the Sick Leave Accrual account for full-time employees, after the date above, shall be 11.2 hours per month, or 0.046154 hours, for each regular hour worked for part-time employees on shift work or eight (8) hours per month for employees assigned to an eight-hour day.

12.6 Based on individual utilization of paid sick leave in the preceding calendar year, employee may convert unused accumulated sick leave into paid vacation leave once per calendar year, pursuant to the formula below:

| <u>Sick Leave Utilization</u> | <u>Maximum Conversion</u> | |
|-------------------------------|---------------------------|---------------------------------|
| | <u>Sick Leave</u> | <u>To</u> <u>Vacation Leave</u> |
| 0 hours | 96 hours | 48 hours |
| .25 to 8 hours | 72 hours | 36 hours |
| 8.25 to 16 hours | 48 hours | 24 hours |
| 16.25 to 25 hours | 24 hours | 12 hours |
| Over 25 hours | 0 hours | 0 hours |

At least 160 accrued hours must remain in employee's sick leave bank for any employee to be eligible for conversion, or for any conversion to be authorized. In addition, the right to convert, along with any conversion hours, does not carry over or rollover from fiscal year to fiscal year; failure to request conversion, in the current year, eliminates the right to do so for that calendar year, and does not permit employees to aggregate conversion hours in any other calendar year.

ARTICLE 13 RETIREMENT BENEFITS

13.1 It is the employee's obligation to contribute the employee's contribution to CalPERS. The employee shall pay his/her own contribution by payroll deduction, consistent with the provisions of 414 (h) 2 of the Internal Revenue Code (9% CalPERS Safety for *classic members*; 50% of the expected normal cost, which is currently 23% (employee pays 11.5%), for *new members*).

13.2 The CITY agrees to continue to provide MBFF, hired prior to March 19, 2011, with a retirement benefit program through the CalPERS as follows:

13.2.1 3% @ 50 formula (Section 21362.2)

13.2.2 Unused Sick Leave Credit (Section 20965)

- 13.2.3 Military Service Credit (Section 21023.5, 21024 & 21027)
 - 13.2.4 Final Compensation 1 year (Section 20042)
 - 13.2.5 1959 Survivor Benefit Level 4 (Section 21574)
 - 13.2.6 Pre-Retirement Death Benefits (Section 21548 Option 2W & 21551)
 - 13.2.7 Retired Death Benefit \$500 (Section 21620)
 - 13.2.8 Prior Service (Section 20055)
 - 13.2.9 Public Service Credit for Periods of Layoff (Section 21022)
- 13.3 All employees, hired on or after March 19, 2011, but before January 1, 2013, and those hired on or after January 1, 2013, who meet the definition of *classic member*, pursuant to the California Public Employee's Pension Reform Act of 2013 (PEPRA), in the regular, full-time classifications listed in Article 3.1 of this MOU between the CITY and the MBFF, shall be provided with the following CalPERS retirement benefits:
- 13.3.1 3% @ 55 formula (Section 21363.1)
 - 13.3.2 Unused Sick Leave Credit (Section 20965)
 - 13.3.3 Military Service Credit (Section 21023.5, 21024 & 21027)
 - 13.3.4 Final compensation 3 Year (Section 20037)
 - 13.3.5 1959 Survivor Benefit Level 4 (Section 21574)
 - 13.3.6 Pre-Retirement Death Benefits (Section 21548 Option 2W & 21551)
 - 13.3.7 Retired Death Benefit \$500 (Section 21620)
 - 13.3.8 Prior Service (Section 20055)
 - 13.3.9 Public Service Credit for Periods of Layoff (Section 21022)
- 13.4 Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, Sworn employees hired, who meet the definition of *new member* under PEPRA and are not eligible for reciprocity, will be provided the following CalPERS benefits:
- 13.4.1 2.7% @ 57 formula (Section 7522.25(d))
 - 13.4.2 Unused Sick Leave Credit (Section 20965)
 - 13.4.3 Military Service Credit (Sections 21023.5, 21024 & 21027)
 - 13.4.4 Final compensation 3 Year (Section 20037)
 - 13.4.5 1959 Survivor Benefit Level 4 (Section 21574)
 - 13.4.6 Pre-Retirement Death Benefits (Section 21548 Option 2W and 21551)
 - 13.4.7 Retired Death Benefit \$500 (Section 21620)
 - 13.4.8 Prior Service (Section 20055)
 - 13.4.9 Public Service Credit for Periods of Layoff (Section 21022)
- 13.5 CITY and MBFF to jointly explore the establishment of an employee-funded Retirement Health Savings Account.

ARTICLE 14 HEALTH BENEFITS

14.1 CITY shall pay, to each active employee by each pay period, the monthly sum of the health plan selected by the employee, and dental/life and vision plans. CITY and MBFF agree that CITY payment of this lump sum is to be used to provide medical care coverage for the employee and/or employees dependents, and that the employees hold harmless the CITY, its officers and agents, including, but not limited to, liability arising out of this MOU. Employees will be supplied with the current division of payment for medical, dental/life, and vision insurance between CITY and each employee in MBFF, as changes occur during this MOU.

14.2 HEALTH INSURANCE

14.2.1 CALPERS

14.2.1 MBFF shall receive a cafeteria plan contribution, including the minimum contribution amount required by CalPERS, as follows:

Employee only - up to \$715/month or cost of insurance, whichever is less
Employee + 1 - up to \$967/month or cost of insurance, whichever is less
Employee + family - up to \$1,080/month or cost of insurance, whichever is less

14.2.2 Beginning January 1, 2015 (effective with the pay period beginning December 1, 2014) MBFF shall receive a cafeteria plan contribution, including the minimum contribution amount required by CalPERS, as follows:

Employee only - up to \$715/month or cost of insurance, whichever is less
Employee + 1 - up to \$1,025/month or cost of insurance, whichever is less
Employee + family - up to \$1,180/month or cost of insurance, whichever is less

14.3 DENTAL/LIFE AND VISION INSURANCE

Life Insurance is provided at \$30,000 per employee (\$50,000 beginning January 1, 2015). The following rates were effective January 1, 2014.

| | Vision | Dental | Life | Totals | City pays | EE pays |
|---------------|---------|----------|--------|----------|-----------|---------|
| Employee only | \$ 7.87 | \$ 43.37 | \$5.70 | \$ 56.94 | \$ 54.01 | \$ 2.93 |
| Employee + 1 | \$15.68 | \$106.91 | \$5.70 | \$128.29 | \$116.54 | \$11.75 |
| Employee + 2+ | \$20.25 | \$107.08 | \$5.70 | \$133.03 | \$120.82 | \$12.21 |

CITY will pay the remaining premium for dental/life and vision.

ARTICLE 15 EDUCATIONAL INCENTIVES

15.1 COLLEGE DEGREES

- 15.1.1 CITY agrees to pay the following education incentives on base salary to regular employees hired prior to January 1, 1998 who hold degrees above the minimum required in their respective classification.

| | |
|-----------------------------|-----------------|
| Achievement in Fire Science | \$ 300 annually |
| Associates Degree | \$ 600 annually |
| Bachelor's Degree | \$1200 annually |

- 15.1.2 If an employee's job description requires an Associate's degree, and the employee has a Bachelor's Degree, the employee will receive only the difference between an Associate's and a Bachelor's degree, or \$600 annually.
- 15.1.3 If an employee's job description requires a degree, or if an employee is promoted to a classification that requires a degree, the employee shall not receive education incentive pay for the required degree.

This section shall not be interpreted to reduce the amount of education incentive pay that any employee, hired prior to January 1, 1998, receives, notwithstanding the fact that the employee is promoted to a higher position requiring a particular degree, or the fact that the job description for the employee's existing position has been revised to require a particular degree. In the event an employee hired prior to January 1, 1998 promotes to a position requiring a degree not required by the lower position, or if the job description for an employee hired prior to January 1, 1998, is revised to require a degree, not previously required for the position, the employee shall, for the term of this MOU, continue to receive the amount of education incentive pay received in the lower position or previous job description.

- 15.1.4 Based on the new job descriptions for all classifications, which were adopted in May 1995, as well as salary survey implementation over the last three years, employees currently in positions now required to hold an AA or BA degree, according to the job description for the classification they hold, will continue to receive an educational incentive for said degree. Any employees, hired on or after January 1, 1998, or current employees, promoted on or after January 1, 1998, to positions requiring degrees, will be subject to Section 15.1.3 above.
- 15.1.5 Employees, hired on or after January 1, 1998, shall not be eligible for this incentive. Additionally, MBFF, hired prior to January 1, 1998, and in the process of obtaining their AA or BA degree, have until December 31, 2000, to obtain said degree and be eligible for the incentive. After December 31, 2000, this incentive shall expire, except as otherwise set forth in this section.

ARTICLE 16 UNIFORM ALLOWANCE

The uniform for the Fire Department is a two-piece work uniform and two T-shirts, of a style, material and manufacture determined by the Fire Chief. Two (2) complete uniforms will be provided

upon initial employment with the Fire Department, and replacements provided are on an "as needed basis," as determined by the Fire Chief. The CITY will provide safety footgear of a type, style, and manufacture, as recommended by the Fire Chief. CITY is responsible for normal upkeep, i.e., heels and soles, with replacement as determined by the Fire Chief.

ARTICLE 17 SALARIES

- 17.1 . Effective with the pay period including July 1, 2014, MBFF salaries shall be increased by three percent (3%).

Effective with the pay period including July 1, 2015, MBFF salaries shall be increased by three percent (3%).

Attached Exhibit A reflects salaries for the MBFF for the duration of this MOU.

- 17.2 All salary adjustments, including, but not limited to, merit increases, educational incentives, and any other pay adjustments, will take effect at the beginning of the next payroll period after the scheduled effective date of the increase.
- 17.3 Any and all education/special pay incentives will be added to base salary.
- 17.4 Electronic Deposit. All employees hired after January 1, 2003, shall receive their pay by electronic methods. New hires must present account information for a checking or a savings account, with an ACH member financial institution.
- 17.5 The following agencies shall be utilized for compensation comparison purposes: Arroyo Grande, Atascadero, CDF, Cambria, Paso Robles, and San Luis Obispo.

ARTICLE 18 SPECIAL PAY PRACTICES

18.1 MEDIC DIFFERENTIAL

- 18.1.1 An employee, certified as an EMT-P (Paramedic), shall receive a monthly differential of \$450 per month.
- 18.1.2 The CITY may require any employee to attend EMT-P training.
- 18.1.2 The CITY and MBFF retains the right to re-open negotiations after January 1, 2015, to discuss increases to Article 18.1.1.

18.2 CALL-OUT PAY

- 18.2.1 It is agreed that the CITY will guarantee a minimum of three (3) hours pay, computed at straight hourly rates, for any MBFF member called back to duty from an off-duty status.
- 18.2.2 If an employee is called to return to duty, such call-out shall not be canceled until the employee reports to the Fire Station. To be eligible to receive the minimum, the employee must report to the Fire Station.
- 18.2.3 If an employee is on-duty and held beyond the end of the work period, time worked will be paid as actual hours worked, under Section 10.4 of this MOU. Such holdover shall not qualify for Call-out Pay.

18.3 WORKING OUT-OF-CLASS

Employees may be worked on an out-of-class assignment only as provided in the Personnel Rules and Regulations of the CITY, except as provided herein below:

- 18.3.1 Employees shall receive an additional 5% compensation for out-of-class assignments that last 24 consecutive hours. Such additional 5% pay shall start on the 25th hour, retroactive to the first hour of the out-of-class assignment. Such additional compensation shall be paid during the first six (6) months of the out-of-class assignment.
- 18.3.2 If the assignment is extended by six (6) months, then starting on the first day of the extension:
 - 18.3.2.1 The employee shall continue to receive the 5% compensation, if the out-of-class assignment is required to fill an absence due to an employee who is out on 4850 leave.
 - 18.3.2.2 The employee shall receive an additional 5% for a total of 10% additional compensation, if the out-of-class assignment is required to fill a vacant position.
- 18.3.3 An employee placed in an out-of-class assignment will not be taken off that assignment for the sole purpose of avoiding the payment provided above.
- 18.3.4 Whenever possible, CITY intends to fill vacancies with qualified employees.
- 18.3.5 Short-term out-of-class assignments (such as Acting Captain) will be paid on an hour-for-hour basis.

18.4 STANDBY PAY

Compensation for standby duty for acting Fire Chief position, when not called back to duty, shall be paid two (2) hours of overtime pay (acting rate) per full 24 hour shift.

ARTICLE 19 HEALTH AND SAFETY ARTICLE

- 19.1 Management shall provide and maintain safe and healthy work facilities and equipment.
- 19.2 Safety and health conditions in employment in the CITY are subject to the provisions of State and Federal legislation, which regulates the health environment and safety conditions of the work place.
- 19.3 A Citywide Safety/Loss Control Committee shall be established, and shall review accidents, review alleged safety deficiencies, and recommend safety training and safety equipment. The MBFF may appoint one unit representative to serve on the committee. If the committee meets, during the designated employee's normal working hours, the employee shall receive paid release time to attend the meeting.
- 19.4 If an employee becomes alerted to an unsafe condition or health hazard, he/she shall report such condition to his/her immediate supervisor. If such conditions cannot be satisfactorily remedied by the immediate supervisor, an employee has the right to submit the matter either personally, or through the steward, to his/her Department Head, or designated safety representative. On any matter of safety not resolved, after proceeding through the above process, consultation will take place between management and the MBFF, if requested.
- 19.5 A first aid kit shall be furnished and maintained at work facilities readily and conveniently accessible to MBFF employees.
- 19.6 Management agrees to provide to employees, who are exposed to potentially toxic agents or toxic materials, the appropriate medical services at no cost to the employee.
- 19.7 Any safety equipment required by the CITY shall be furnished by the CITY.

ARTICLE 20 MINIMUM STAFFING

- 20.1 CITY agrees to provide minimum staffing of three full-time personnel except in cases of emergency as determined by the Fire Chief.
 - a. Exception: For brief transitional periods lasting 10 hours or less, minimum staffing may be allowed to drop to a minimum of two with the Chief's approval.
- 20.2 The 2004 Morro Bay Fire Department 5-Year Strategic Plan recommended that the CITY provide 4-person daily staffing in the Fire Department.

- a. The CITY and MBFF agree that 4-person full-time minimum staffing will be provided in the MOU, when a second fire station or second company is staffed and operational. The 4-person minimum refers to the total on-duty staffing of full-time firefighters in the CITY.
 - b. The CITY currently staffs a single, two-piece suppression company consisting of an engine and a rescue. This response configuration is not affected by item a. above.
- 20.3 The CITY agrees to cap the total number of part-time, unrepresented firefighters to one per scheduled 24 hour shift.
- a. Exception: In an emergency, and for mutual aid response coverage, the CITY may have more than one reserve firefighter working 24-hour shifts, provided the CITY is meeting its minimum staffing requirements.
- 20.3.1 For as there are seven filled Firefighter/Engineer positions within the Department, the least senior qualified person will be assigned to vacation relief. In the event of retirement, resignation or termination, vacation relief individual will have the first right of refusal to that open position. If the seventh Firefighter/Engineer position is eliminated, there will be no vacation relief position.
- 20.3.2 The CITY will post a work schedule every 30 days for the vacation relief position, and provide 96 hours notice prior to making schedule changes. There will be no more than two schedule changes within each 30 day schedule.

ARTICLE 21 PERSONNEL RULES

Parties recognize the applicability and agreement with the Personnel Rules utilized by the CITY for all employees. From time to time, the Personnel Rules may be amended, and the CITY will offer the opportunity to meet and confer on those items, within the scope of bargaining. Nothing in this article shall make the CITY's Personnel Rules subject to the Grievance Procedure.

ARTICLE 22 LAYOFFS

The parties agree to use the layoff procedure as set forth in 2.32.120 of the CITY's Municipal Code along with the CITY Layoff Policy.

For purposes of workforce reductions, as outlined by the CITY's Personnel Rules and Regulations, shifts worked by part-time, unrepresented employees will be eliminated prior to a reduction in full-time MOU represented personnel.

ARTICLE 23 PROCESSING OF FORMAL GRIEVANCES

- 23.1 The MBFF agrees that whenever investigation or processing of a grievance is to be transacted during working hours, only the amount of time necessary to bring about a prompt disposition of the matter will be utilized. It is further agreed that the time spent on an investigation and processing of grievances will not interfere with the normal operation of the department. CITY agrees to provide a reasonable amount of time for the investigation and the processing of a grievance, but by so agreeing does not imply that the processing or investigation of a grievance shall take priority over normal functions of the department.
- 23.2 CITY further agrees that any payment of overtime arising because of MBFF personnel's involvement in grievance investigation or processing shall not be authorized. Time spent on the investigation and processing of grievances will be recorded on a form provided by CITY. Stewards will be permitted reasonable time-off with pay for the investigation and processing of grievances provided, however, stewards shall first obtain permission from the department head and/or his/her designee and inform him/her of the nature of his/her business. CITY shall grant such permission promptly unless such absence would cause an undue interruption of work or would require the CITY to pay overtime in order to maintain the normal operation of the department.
- 23.3 Upon entering the work location, the steward shall inform the department head and supervisor of the nature of his/her business. Permission to leave a job will be granted to the employee involved unless such absence would cause an interruption of work. If the employee cannot be made available, the steward will seek an alternate time for employee availability with the department head or supervisor.
- 23.4 It is agreed that in some instances the investigation and processing of a grievance may be accomplished on the employee's time. This MOU is in recognition of the mutual sharing of costs involved in the handling of employee-initiated actions.
- 23.5 Procedures shall be in accordance with Resolution No. 46-74 and any amendments thereto.

ARTICLE 24 ELIMINATION OF FIRE SERVICE

If the fire service function of the CITY is merged into another agency, or if another agency assumes said function, then prior to such action, the CITY shall meet and confer with MBFF concerning the effects of such action.

ARTICLE 25 NO STRIKE, NO LOCK-OUT

- 25.1 During the life of this MOU, the CITY will not lock out any employees nor will the MBFF cause, authorize, advise or encourage any interruption of work or any other concerted refusal to render services or to work, including overtime or any other curtailment or restriction of work at any time during the term of this MOU. The term "interruption of work" shall mean

any work stoppage or strike (including economic and unfair labor practice strikes) or any intentional slow down of work.

- 25.2 There shall be no refusal to work on, handle or produce any materials or equipment because of a labor dispute.
- 25.3 Any employee engaging in any action prohibited by this Article shall be subject to immediate discharge or such other discipline as the CITY may assess. Such discharge or discipline shall not be reviewable through the Grievance Procedure.

ARTICLE 26 FULL UNDERSTANDING, MODIFICATION, WAIVER

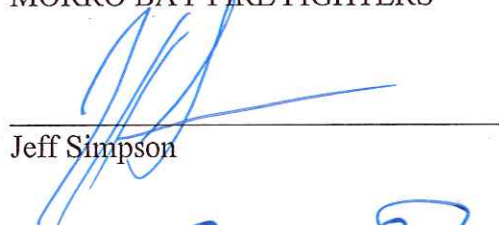
- 26.1 This MOU sets forth the full and entire understanding of the parties, regarding the matters set forth herein, and any other prior or existing understanding or MOUs by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.
- 26.2 It is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate, with respect to any matter covered herein.
- 26.3 No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved by the CITY and ratified by the membership of the MBFF.
- 26.4 The waiver of any breach of any term, or condition of this MOU by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

ARTICLE 27 SEVERABILITY

If any provision(s) are held to be contrary to law by a court of competent jurisdiction, such provisions will not be deemed valid and subsisting except to the extent permitted by law, but all other provisions will continue in full force and effect.

Date: 10-21-14

MORRO BAY FIRE FIGHTERS



Jeff Simpson



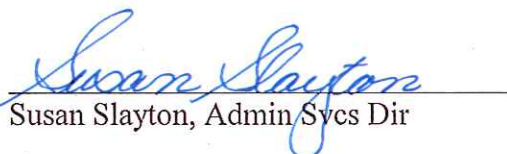
Michael Talmadge

Date: 10-21-2014

CITY OF MORRO BAY



Edward Kreins, Interim City Manager



Susan Slayton, Admin Svcs Dir



Laurie Goforth, Human Resources Analyst

City of Morro Bay
 Salary Schedule
 7/1/2014 - 6/30/15
 Increase 3% per 2014 - 16 MOU
 9% PERS employee paid

1.03

| | Step | Annual | Monthly | Biweekly | Hourly |
|-------------|------|--------|---------|----------|---------|
| FIRE | | | | | |
| Captain | 5 | 80,727 | 6,727 | 3,104.88 | 27.7222 |
| | 4 | 76,873 | 6,406 | 2,956.65 | 26.3987 |
| | 3 | 73,234 | 6,103 | 2,816.69 | 25.1490 |
| | 2 | 69,754 | 5,813 | 2,682.85 | 23.9540 |
| | 1 | 66,415 | 5,535 | 2,554.42 | 22.8073 |
| Engineer | 5 | 70,241 | 5,853 | 2,701.58 | 24.1212 |
| | 4 | 66,874 | 5,573 | 2,572.08 | 22.9650 |
| | 3 | 63,708 | 5,309 | 2,450.31 | 21.8777 |
| | 2 | 60,657 | 5,055 | 2,332.96 | 20.8300 |
| | 1 | 57,777 | 4,815 | 2,222.19 | 19.8410 |
| Firefighter | 5 | 64,267 | 5,356 | 2,471.81 | 22.0697 |
| | 4 | 61,261 | 5,105 | 2,356.19 | 21.0374 |
| | 3 | 58,293 | 4,858 | 2,242.04 | 20.0182 |
| | 2 | 55,513 | 4,626 | 2,135.12 | 19.0635 |
| | 1 | 52,848 | 4,404 | 2,032.62 | 18.1484 |

Hourly = annual / 2,912

City of Morro Bay
Salary Schedule
7/1/2015 - 6/30/16
Increase 3% per 2014 - 16 MOU
9% PERS employee paid

1.03

| | Step | Annual | Monthly | Biweekly | Hourly |
|-------------|------|--------|---------|----------|---------|
| FIRE | | | | | |
| Captain | 5 | 83,149 | 6,929 | 3,198.04 | 28.5539 |
| | 4 | 79,179 | 6,598 | 3,045.35 | 27.1906 |
| | 3 | 75,431 | 6,286 | 2,901.19 | 25.9035 |
| | 2 | 71,847 | 5,987 | 2,763.35 | 24.6727 |
| | 1 | 68,407 | 5,701 | 2,631.04 | 23.4914 |
| Engineer | 5 | 72,348 | 6,029 | 2,782.62 | 24.8448 |
| | 4 | 68,880 | 5,740 | 2,649.23 | 23.6538 |
| | 3 | 65,619 | 5,468 | 2,523.81 | 22.5340 |
| | 2 | 62,477 | 5,206 | 2,402.96 | 21.4550 |
| | 1 | 59,510 | 4,959 | 2,288.85 | 20.4361 |
| Firefighter | 5 | 66,195 | 5,516 | 2,545.96 | 22.7318 |
| | 4 | 63,099 | 5,258 | 2,426.88 | 21.6686 |
| | 3 | 60,042 | 5,004 | 2,309.31 | 20.6188 |
| | 2 | 57,178 | 4,765 | 2,199.15 | 19.6353 |
| | 1 | 54,433 | 4,536 | 2,093.58 | 18.6927 |

Hourly = annual / 2,912